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**Page Denied**

Next 1 Page(s) In Document Denied

14 April 1981

## MEMORANDUM FOR THE RECORD

SUBJECT: SAFE Status and [REDACTED]

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1. In a SAFE update today, [REDACTED] Chief, CSPO, advised me that he thinks that the SAFE project would be three to six months late. Officially, they are only a few weeks late at this point. He also said that:

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- ° There would absolutely be no transfer of any performance capabilities to a later block than committed.
- ° The system would be thoroughly tested by CSPO personnel using functional threads, as yet undefined. The system would absolutely not be accepted for IOC until it met performance requirements.

2. I told [REDACTED] that my current appreciation is that [REDACTED] is six months behind in developing its Block I software system and that integration and T&E problems will be of such magnitude that it will take another six months to debug the Block I package, for a ~~start~~ of one year late. He indicated that [REDACTED] Deputy CSPO, had estimated that [REDACTED] might be as much as one year late at this time.

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3. I pointed out to [REDACTED] that we were now looking at a substantial overrun on SAFE. I asked him how he would deal with it, i.e., the contract terms and fee. I do not believe this consideration has been addressed within the CSPO, because he talked in terms of reducing their award fee and no-fee overrun. The latter does not occur, however, until after all the committed moneys have been expended, and that could be three years after the overrun actually occurs.

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4. I advised [REDACTED] that we should put a hold on all future contracts with this group of [REDACTED] until they deal effectively with their problems. We agreed to request Bill Donnelly, Chief, TMS, not to fund the proposed 175 million follow-on study to his preliminary evaluation of the application of SAFE to the DDO environment.

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5. Donnelly agreed to this suspension in a phone conversation with me this date, which he said duplicated an earlier commitment to [REDACTED] also on this date.

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[REDACTED]  
Information Handling Systems Architect

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